

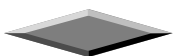


***Program Compliance Office
Cal Grant Program Review Report***

2000-01 Award Year

**California State University, Dominguez Hills
Program Review ID#80200114100**

**1000 East Victoria Street
Carson, CA 90747**



Program Review Dates:	October 7 – 10, 2002
Auditor:	Nati DeGroot (916) 526-6413
Report Approved by:	Charles Wood, Manager Program Compliance Office (916) 526-8912

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AUDITOR'S REPORT

SUMMARY We reviewed CSU, Dominguez Hills administration of California Student Aid Commission (Commission) programs for the 2000-01 award year.

The institution's records disclosed the following deficiencies:

- Ineligible Cal Grant Award
- Incorrect Cal Grant Disbursement
- Cal Grant Payments Not Returned
- Unmet Need Reported Incorrectly
- Reconciliation Not Completed

BACKGROUND Through institution compliance reviews, the administration of Commission programs is evaluated to ensure program integrity with applicable laws, policies, contracts and institutional agreements as they pertain to the following grant programs administered by the Commission:

Cal Grants A, B and T

The following information, obtained from the institution and Commission database, is provided as background on the institution:

A. Institution

- Type of Organization: Public, Institution of Higher Education
- President: Dr. James E. Lyons, Sr.
- Accrediting Body: Western Association of Schools & Colleges
- Size of Student Body: 12,900

B. Institutional Persons Contacted

- Kathleen D. Hughes: Director, Business Process Management
- Delores S. Lee: Director of Financial Aid
- Lisa Chavez: Associate Director
- Joseph Nguyen: Cal Grant Coordinator
- Constance Chambers: Assistant Director

AUDITOR'S REPORT (continued)

BACKGROUND (continued)

C. Financial Aid

- Date of Prior Commission Program Review: June 1995
- Branches: None
- Financial Aid Programs: Federal: Family Education Loan Program, Direct Loan Programs, Work Study, Pell, Perkins, and SEOG
State: Cal Grants A, B, and T and Graduate Fellowship
- Financial Aid Consultant: None

OBJECTIVES, SCOPE AND METHODOLOGY

The purpose of our review is to provide the Commission with assurance that the institution adequately administered the Commission programs and their compliance with applicable laws, policies, contracts and institutional agreements as they pertain to the grant programs administered by the Commission.

The review will focus on, but not be limited to, the following areas:

- A. General Eligibility
- B. Applicant Eligibility
- C. Fund Disbursement and Refunds
- D. Roster and Reports
- E. File Maintenance and Records Retention
- F. Fiscal Responsibility and Program Funds

The specific objectives of the review were to determine that:

- Administration systems have adequate controls to ensure that grant funds received by the institution are secure.
- Administration systems have adequate controls to ensure that grant payments are accurate, legal and proper.
- Accounting requirements are being followed.

The procedures performed in the conduct of this review include:

- Evaluate the current administrative procedures through interviews and reviews of student records, forms and procedures.
- Evaluate the current payment procedures through interviews and reviews of student records, forms and procedures.
- Review the records and grant payment transactions from a sample of 40 students who received a total of 13 Cal Grant A awards, 24 Cal Grant B awards and 3 Cal Grant T awards within the review period. The program review sample was randomly selected from the total population of 1,049 recipients.

AUDITOR'S REPORT (continued)

OBJECTIVES, SCOPE AND METHODOLOGY (continued)

This review was conducted in accordance with **Government Auditing Standards** issued by the Comptroller General of the United States. However, the procedures did not constitute a review of the institution's financial statements.

The review scope was limited to planning and performing procedures to obtain reasonable assurance that Commission grant funds were administered according to the applicable laws, policies, contracts and institutional agreements. Accordingly, transactions were examined on a test basis to determine whether grant funds were expended in an eligible manner. The auditor considered the institution's management controls only to the extent necessary to plan the review.

This report is written using the exception-reporting format, which excludes the positive aspects of the institution's administration of the California grant programs.

The names and social security numbers of the sample of students reviewed have been excluded from the body of this report and have been replaced by identifying numbers. Attachment A is a listing of the students by name, social security number and grant type.

CONCLUSION

In conclusion, except for the deficiencies cited in the Findings and Required Actions section of this report, the institution administrated the Commission grant programs in accordance with the applicable laws, policies, contracts and institutional agreements as they pertain to the Commissions grant programs.

VIEWS OF RESPONSIBLE OFFICIALS

The review was discussed with agency representatives in an exit conference held on October 10, 2002.

October 10, 2002

Charles Wood, Manager
Program Compliance Office

FINDINGS AND REQUIRED ACTIONS (continued)

B. APPLICANT ELIGIBILITY

FINDING: Ineligible Cal Grant Award

A review of 40 Cal Grant student files revealed 2 cases in which the institution disbursed Cal Grant funds to ineligible students.

DISCUSSION:

According to the Cal Grant Manual and the California Education Code, tuition/fee awards may only be used to pay actual tuition/fee charges and may not be disbursed directly to students if those charges are specifically covered by other types of aid or if the grant award exceeds the actual charges. Institutions are responsible for ensuring that the Cal Grant recipient remains eligible prior to issuing Cal Grant payments.

A review of the file of student No. 21 revealed that the institution disbursed Cal Grant B tuition funds in the amount of \$714 for the fall 2000 semester. However, based on the student's account record, tuition fees were paid by the student via the University's Installment Pay Plan. Since the student paid for their tuition fees, the institution should not have disbursed Cal Grant B funds in the amount of \$714 since Cal Grant B tuition awards are solely for tuition fees.

A review of the file of student No. 22 revealed that the institution disbursed Cal Grant T tuition funds in the amount of \$753 for the spring 2001 semester. However, based on the student's account record, tuition fees were paid by Contract 00-01. Since tuition fees were paid by Contract 00-01 and Cal Grant T tuition awards are solely for tuition charges, \$753 should have been returned to the Commission.

REFERENCES:

California Education Code 69532(a), (b)
Cal Grant Manual, Chapter 5, page 5-20

REQUIRED ACTION:

The institution is instructed to repay the ineligible amount of **\$753** on behalf of student No. 22 as directed in the payment instructions located at the conclusion of this report. For student No. 21, CSU, Dominguez Hills has the option to either repay the ineligible amount of **\$714** to the Commission or refund the amount to the student. If the institution opts to refund the funds to the student, verification must be submitted in response to this finding.

Additionally, the institution is required to submit policies and procedures that will be implemented to ensure that tuition/fee awards are only disbursed to eligible Cal Grant recipients.

FINDINGS AND REQUIRED ACTIONS (continued)

INSTITUTION RESPONSE:

As instructed CSU Dominguez Hills will repay to the Commission the ineligible amount of \$753 on behalf of student No. 22. In light of this finding, the practice associated with ensuring that tuition/fee awards are only disbursed to eligible Cal Grant recipients has been strengthened. Through a periodic report, the Accounting Office notifies Financial Aid of all third party fee payments made on behalf of students. This enhanced procedure addresses conformance to eligibility requirements. (Attachments: B.1.A - *CSUDH Accounts Receivable Policies and Procedures*, Page 1 Terms and Conditions. B.1.B - *CSUDH Financial Aid Office, Policies and Procedures for Cal Grant A, B, and T Programs*, Page 2, Section 1.0 Cal Grant Eligibility Criteria).

Regarding student No. 21 the eligible fees of \$714 were disbursed to the student during the initial Fall 2000 disbursement. A copy of the summary showing the disbursement and the cancelled check is attached. (Attachments: B.2.A- *CSUDH Statement of Financial Aid Disbursement, Fall 2000*, B.2.B - *State of California - Cancelled Check No. 348-409162*, Dated August 22, 2000)

AUDITOR REPLY:

The institution returned \$753.00 on check #348-481682 and the required policies and procedures, this action is deemed acceptable and no further action is required.

C. FUND DISBURSEMENT AND REUFNDS

FINDING 1: Incorrect Cal Grant Disbursement

A review of 40 Cal Grant student files revealed 2 cases in which the institution disbursed more Cal Grant funds than the student was eligible to receive.

DISCUSSION:

Institutions are required to verify student eligibility at the time Cal Grant subsistence or book and supply funds are disbursed to the student or credited to the student's account. The enrollment status must be determined according to the student's attendance status at the time Cal Grant funds are paid to the student. Enrollment status directly correlates to the amount of the Cal Grant award and the percentage of eligibility used.

The institution's enrollment status policy is as follows:

Enrollment Status	Number of Units
Full-time	12+
Three-quarter-time	9-11
Half-time	6-8

A review of the file of student No. 19 revealed that the institution disbursed a full-time subsistence payment in the amount of \$774 for the spring 2001 semester. However, based on the student's academic transcripts, the student was only enrolled in 9.0 for the spring 2001 semester and therefore, should have been only a three-quarter-time payment in the amount of \$581. Thus, \$193 (\$774 - \$581) is ineligible and must be returned to the Commission.

FINDINGS AND REQUIRED ACTIONS (continued)

In the case of student No. 38, the institution disbursed full-time subsistence payments in the amount of \$774 for the fall 2000 and spring 2001 semesters, respectively. However, pursuant to the student's academic transcript, the student was only enrolled in 9.0 units for the fall 2000 semester and 6.0 units for the spring 2001 semester. The institution should have disbursed a three-quarter-time payment in the amount of \$581 for the fall 2000 semester and a half-time payment in the amount of \$387 for the spring 2001 semester. Thus, \$580 (\$193 for the fall 2000 semester and \$387 for the spring 2001 semester) is ineligible and must be returned to the Commission

REFERENCES:

Cal Grant Manual, Chapter 5, page 5-14, 5-15, 5-20, and 5-50
Institutional Agreement, Article III.A.2
Institutional Agreement, Article III.B.5

REQUIRED ACTION:

The institution is required to return the ineligible amounts of **\$193** and **\$580** on behalf of student Nos. 19 and 38, respectively as directed in the repayment instructions located at the conclusion of this report.

Additionally, the institution is required to submit written policies and procedures that will be implemented to ensure Cal Grant recipients are paid according to their respective enrollment status.

INSTITUTION RESPONSE:

As instructed CSU Dominguez Hills will repay to the Commission the ineligible amount of \$193 and \$580 on behalf of student Nos. 19 and 38 respectively. Implementation of a strengthened monitoring processes to address proper payment of Cal Grant awards have been instituted. This process allows for proper adjustments of previously paid Cal Grant awards in the event students drop or withdraw from classes. Referencing the institution's enrollment status policy, the Banner Student Information System has been updated to prorate Cal Grant awards based upon enrollment status, i.e., Full-time pays 100%, Three-quarter-time pays 75% and Half-time pays 50% of award. (Attachment: B.1.B - CSUDH Financial Aid Office, Policies and Procedures for Cal Grant A, B, and T Programs, Page 2, Section 1.1 Cal Grant Enrollment Status)

AUDITOR REPLY:

The institution returned \$773.00 on check #348-481682 and the required policies and procedures, this action is deemed acceptable and no further action is required.

FINDINGS AND REQUIRED ACTIONS (continued)

C. FUND
DISBURSEMENT
AND REUFNDS

FINDING 2: Cal Grant Payments Not Returned

A review of 40 Cal Grant student files revealed 3 cases in which the institution retained Cal Grant funds in its account.

DISCUSSION:

Participating institutions agree to reconcile all Cal Grant funds received and return any unused funds to the Commission. According to Commission and institutional records, the institution requested the following payments for the students listed below:

Student No.	Advance Amount	Type of Payment	Term
33	\$414	Half-time	Summer 2001
36	\$387	Half-time	Summer 2001
38	\$714	Full-time	Fall 2000

However, a review of file for student No. 33 revealed that the student was only enrolled in 3.0 units for the summer 2001 semester, which made the student ineligible to receive Cal Grant funds. Although, the institution correctly determined that the student was not eligible to receive Cal Grant funds and failed to return the funds in the amount of \$414 to the Commission.

A review of the file of student No. 36 revealed that the student was enrolled in 6.0 units for the summer 2001 semester and therefore, the institution requested a half-time payment in the amount of \$387 from the Commission. However, according to the student's account record, the institution only disbursed \$194 and failed to return the remaining portion of \$193 (\$387 - \$194).

In the case of student No. 38, the student was enrolled in 6.0 units for the spring 2001 semester. Based on the student's account record, the student received \$414 in Cal Grant funds. Although, the institution correctly paid the student, but failed to return the remaining portion of the full-time payment in the amount of \$300 (\$714 - \$414).

CSU, Dominguez Hills was previous cited for not returning unused Cal Grant funds ("Student Award Neither Disbursed Nor Returned") to the Commission as indicated in the CSAC June 1995 review. Thus, this finding is deemed as an area of continuing non-compliance and will be noted in future program reviews.

REFERENCES:

Institutional Agreement, Article III.C.2.
Cal Grant Manual, Chapter 5, page 5-11 through 5-15
Cal Grant Manual, Chapter 6

REQUIRED ACTION:

The ineligible funds identified for student Nos. 33, 36, and 38 in the amounts of **\$414**, **\$193** and **\$300**, respectively will be included **with Finding F** of this report.

FINDINGS AND REQUIRED ACTIONS (continued)

Additionally, the institution is required to strengthen its current written policies and procedures that will be implemented to ensure that unused Cal Grant funds are returned to the Commission upon verification of student eligibility.

INSTITUTION RESPONSE:

As instructed, CSU Dominguez Hills will repay to the Commission the ineligible funds amounting to \$414, \$193 and \$300, respectively on behalf of student Nos. 33, 36 and 38.

Enhanced policies and procedures that include more regular reconciliation have been written to address compliance with verification of student eligibility and the return of unused Cal Grant funds. (Attachment B.1.B - *CSUDH Financial Aid Office, Policies and Procedures for Cal Grant A, B, and T Programs*, Page 3, Section 1.2 Return of Unused Cal Grant Payments).

AUDITOR REPLY:

The institution's action is deemed acceptable and no further action is required.

D. ROSTERS AND REPORTS

FINDING: Unmet Need Reported Incorrectly

A review of 40 Cal Grant student files revealed 4 cases in which the institution calculated and reported an incorrect renewal unmet need amount to the Commission.

DISCUSSION:

For renewal students, institutions must calculate a student's unmet need, report the unmet need amount to the Commission, and retain the supporting documentation within the student's file. Institutions may use the Commission's annually established student expense budget or the institution may adopt its own student budget for determining renewal financial eligibility provided the budgets do not exceed those used for campus-administered aid. The Institution must report the resulting unmet need amount on the Grant Roster or the Commission G-21 form. The unmet need amount is defined as the student's of attendance (COA) minus the Expected Family Contribution (EFC) minus Pell.

A review of the file of renewal student Nos. 6, 25, 27, and 35 revealed that the institution erroneously calculated and reported an unmet need to the Commission. The correct unmet need that should have been reported to Commission is illustrated below:

Student No.	Reported Need	Correct Need
6	\$4,499	\$4,199
25	\$4,498	\$4,324
27	\$6,244	\$8,557
35	\$9,075	\$9,548

FINDINGS AND REQUIRED ACTIONS (continued)

REFERENCES:

Cal Grant Manual, Chapter 2, page 2-5
Cal Grant Manual, Chapter 4, pages 4-1 through 4-3
Cal Grant Manual, Chapter 5, page 5-2, 5-8, 5-15 and 5-16

REQUIRED ACTION:

Although, no liability resulted from the above finding, the institution is required to submit policies and procedures that will be implemented to ensure that the correct unmet need amount for renewal Cal Grant recipients is correctly calculated and reported to the Commission.

INSTITUTION RESPONSE:

To address that the correct unmet need amount for renewal of Cal Grant recipients is correctly calculated and reported to the Commission, policies and procedures governing this process have been strengthened. Included in the enhanced procedures is the process of documenting the dollar amount used at the specific time that the unmet need was calculated and reported. (Attachment B.1.B - *CSUDH Financial Aid Office, Policies and Procedures for Cal Grant A, E, and T Programs*, Page 4, Section 1.4, Renewal Cal Grant Recipients, Reporting Unmet Need)

AUDITOR REPLY:

The institution's action is deemed acceptable and no further action is required.

F. FISCAL RESPONSIBILITY

FINDING: Reconciliation Not Completed

A review of institutional records revealed that Cal Grant funds were not reconciled for the 2000-01 award year.

DISCUSSION:

Institutions participating in Cal Grant programs are required to reconcile their accounts with the funds received from the Commission for each academic year. Institutions are directed to make all disbursements no later than September 30th following the award year (e.g., September 30, 2001 for the 2000-01 award year). Furthermore, participating institutions agree to use the advance funds solely for the administration of the Cal Grant programs. Upon receipt of Cal Grant funds from the Commission, the institution must determine and verify student eligibility prior to disbursing funds.

Should the institution's records of individual payments to eligible student be less than what the Commission paid, the institution must return the difference to the Commission. Additionally, the institution will bear the liability for payments not reported prior to the required reconciliation date.

FINDINGS AND REQUIRED ACTIONS (continued)

For the 2000-01 award year, the Commission advanced and the institution reported \$2,018,315 in payments. Upon further examination of the institution's accounting records, it was determined that the institution disbursed a total amount of \$2,003,554 in Cal Grant funds. Of the \$2,003,554 disbursed, \$17,949 was not reported to the Commission prior to the 2000-01 year-end reconciliation. The unreported payments are unable to be reimbursed and are detailed in the following chart:

Student No.	CSAC Paid	School Paid	Unreported Payments
X1	\$ 0.00	\$ 221.00	\$ 221.00
X2	\$2,289.00	\$2,589.00	\$ 300.00
X3	\$2,703.00	\$3,390.00	\$ 687.00
X4	\$ 0.00	\$ 801.00	\$ 801.00
X5	\$1,215.00	\$1,602.00	\$ 387.00
X6	\$1,161.00	\$1,548.00	\$ 387.00
X7	\$1,767.00	\$1,842.00	\$ 75.00
X8	\$1,984.00	\$2,976.00	\$ 992.00
X9	\$2,913.00	\$2,976.00	\$ 63.00
X10	\$1,310.00	\$1,312.00	\$ 2.00
X11	\$1,289.00	\$1,338.00	\$ 49.00
X12	\$1,467.00	\$1,506.00	\$ 39.00
X13	\$ 387.00	\$ 388.00	\$ 1.00
X14	\$1,428.00	\$1,748.00	\$ 320.00
X15	\$ 414.00	\$ 801.00	\$ 387.00
X16	\$1,428.00	\$2,142.00	\$ 714.00
X17	\$ 0.00	\$1,548.00	\$ 1,548.00
X18	\$1,548.00	\$2,976.00	\$ 1,428.00
X19	\$1,071.00	\$1,128.00	\$ 57.00
X20	\$1,428.00	\$1,785.00	\$ 357.00
X21	\$2,202.00	\$2,976.00	\$ 774.00
X22	\$ 0.00	\$ 601.00	\$ 601.00
X23	\$2,518.00	\$2,519.00	\$ 1.00
X24	\$1,128.00	\$1,428.00	\$ 300.00
X25	\$ 0.00	\$2,976.00	\$ 2,976.00
X26	\$2,202.00	\$2,976.00	\$ 774.00
X27	\$2,189.00	\$2,289.00	\$ 100.00
X28	\$ 714.00	\$2,976.00	\$ 2,262.00
X29	\$ 801.00	\$2,053.00	\$ 1,252.00
X30	\$ 878.00	\$ 972.00	\$ 94.00
TOTAL UNREPORTED PAYEMNTS			\$17,949.00

Total disbursements to be reimbursed by the Commission for the 2000-01 award year equaled \$1,985,605 (disbursed amount of \$2,003,554 less unreported payments of \$17,949). Therefore, the institution disbursed \$32,710 less than the amount advanced by the Commission (amount of CSAC advance \$2,018,315 less reimbursable payments of \$1,985,605) as illustrated in the chart below:

FINDINGS AND REQUIRED ACTIONS (continued)

Student No.	CSAC Paid	School Paid	Undisbursed Payments
Y1	\$1,861.00	\$1,471.00	\$ 390.00
Y2	\$ 744.00	\$ 387.00	\$ 357.00
Y3	\$1,428.00	\$1,128.00	\$ 300.00
Y4	\$1,206.00	\$ 0.00	\$1,206.00
Y5	\$ 357.00	\$ 0.00	\$ 357.00
Y6	\$1,428.00	\$1,128.00	\$ 300.00
Y7	\$1,428.00	\$ 714.00	\$ 714.00
Y8	\$2,976.00	\$2,676.00	\$ 300.00
Y9	\$1,128.00	\$ 0.00	\$1,128.00
Y10	\$2,976.00	\$1,548.00	\$1,428.00
Y11	\$1,428.00	\$1,128.00	\$ 300.00
Y12	\$3,015.00	\$2,976.00	\$ 39.00
Y13	\$2,351.00	\$2,158.00	\$ 193.00
Y14	\$1,428.00	\$1,128.00	\$ 300.00
Y15	\$1,428.00	\$1,379.00	\$ 49.00
Y16	\$ 861.00	\$ 294.00	\$ 567.00
Y17	\$1,488.00	\$ 801.00	\$ 687.00
Y18	\$1,488.00	\$1,101.00	\$ 387.00
Y19	\$2,976.00	\$2,289.00	\$ 687.00
Y20	\$1,428.00	\$1,128.00	\$ 300.00
Y21	\$1,428.00	\$1,128.00	\$ 300.00
Y22	\$1,428.00	\$ 714.00	\$ 714.00
Y23	\$ 714.00	\$ 0.00	\$ 714.00
Y24	\$1,548.00	\$ 774.00	\$ 774.00
Y25	\$1,428.00	\$1,128.00	\$ 300.00
Y26	\$1,428.00	\$1,128.00	\$ 300.00
Y27	\$1,488.00	\$ 0.00	\$1,488.00
Y28	\$ 714.00	\$ 0.00	\$ 714.00
Y29	\$1,428.00	\$1,128.00	\$ 300.00
Y30	\$ 414.00	\$ 0.00	\$ 414.00
Y31	\$ 714.00	\$ 0.00	\$ 714.00
Y32	\$1,488.00	\$1,101.00	\$ 387.00
Y33	\$ 714.00	\$ 438.00	\$ 276.00
Y34	\$1,428.00	\$ 714.00	\$ 714.00
Y35	\$ 744.00	\$ 357.00	\$ 387.00
Y36	\$2,976.00	\$1,488.00	\$1,488.00
Y37	\$1,488.00	\$ 714.00	\$ 774.00
Y38	\$1,428.00	\$ 714.00	\$ 714.00
Y39	\$2,976.00	\$2,676.00	\$ 300.00
Y40	\$1,506.00	\$1,190.00	\$ 316.00

FINDINGS AND REQUIRED ACTIONS (continued)

Student No.	CSAC Paid	School Paid	Undisbursed Payments
Y41	\$ 438.00	\$ 0.00	\$ 438.00
Y42	\$ 968.00	\$ 373.00	\$ 595.00
Y43	\$1,488.00	\$1,188.00	\$ 300.00
Y44	\$1,428.00	\$1,128.00	\$ 300.00
33	\$1,842.00	\$1,428.00	\$ 414.00
Y45	\$1,428.00	\$ 0.00	\$1,428.00
Y46	\$2,289.00	\$1,602.00	\$ 687.00
Y47	\$2,976.00	\$1,548.00	\$1,428.00
Y48	\$1,428.00	\$ 714.00	\$ 714.00
Y49	\$2,976.00	\$1,548.00	\$1,428.00
Y50	\$1,428.00	\$1,128.00	\$ 300.00
36	\$3,777.00	\$3,584.00	\$ 193.00
Y51	\$1,428.00	\$1,128.00	\$ 300.00
Y52	\$ 50.00	\$ 0.00	\$ 50.00
Y53	\$ 714.00	\$ 0.00	\$ 714.00
Y54	\$1,545.00	\$ 801.00	\$ 744.00
Y55	\$1,428.00	\$1,128.00	\$ 300.00
38	\$2,976.00	\$2,676.00	\$ 300.00
TOTAL UNDISBURSED PAYMENTS			\$32,710.00

CSU, Dominguez Hills was previous cited for not reconciling its Cal Grant account for the 1993-94 and 1994-95 award years as indicated in the CSAC June 1995 review. Thus, this finding is deemed as an area of continuing non-compliance and will be noted in future program reviews.

REFERENCES:

California Education Code, 69535.5
Institutional Agreement, Article III.B.
Institutional Agreement, Article III.C.
Cal Grant Manual, Chapter 6
Cal Grant Manual, Chapter 9, page 9-6, 9-7, 9-11

DISCUSSION:

In response to this finding, the institution must remit the undisbursed funds in the amount of **\$32,710.00** for the 2000-01 award year as directed in the payment instructions located at the conclusion of this report.

Due to the severity of this finding and previous citation, CSU, Dominguez hills was provided with a disk containing all Cal Grant payments made to students for the 2001-02 subsequent to the on-site review to assist in the reconciliation process.

FINDINGS AND REQUIRED ACTIONS (continued)

The institution is required to submit a reconciliation report for the 2001-02 award year with the following data elements sorted by the student's last name:

- Student Social Security Number
- Student's Last Name
- Student's First Name
- Type of Cal Grant Award (A, B, C or T)
- Fall Term Payment-CSAC
- Fall Term Payment-School
- Fall Payment Adjusted to Report to CSAC
- Spring Term Payment-CSAC
- Spring Term Payment-School
- Spring Payment Adjusted to Report to CSAC
- Summer Term Payment – CSAC
- Summer Term Payment – School
- Summer Payment Adjusted to Report to CSAC

The reconciliation report must list all 2001-02 Cal Grant recipients and must be reviewed by the Accounting and the Financial Aid Offices to ensure the Cal Grant account is reconciled.

Lastly, the institution is required to submit written procedures and internal control measures that will be implemented to ensure that the institution reconciles its records as required by the Institutional Agreement and the Cal Grant Manual. The procedures must include time frames, staff titles, and specific areas of responsibilities as it relates to the Cal Grant reconciliation process.

INSTITUTION RESPONSE:

California State University, Dominguez Hills will return to the Commission those funds, \$34,236 (State of California Check No. 348-481682), identified for student deemed to be ineligible to receive Cal Grant funding. These returned funds (except for student No. 22 listed in response to Finding B) are for those students listed in Findings Nos. B, C.1 and F. (Attachment B.1.B, *CSUDH Financial Aid Office, Policies and Procedures for Cal Grant A, B, and T Programs*, Page 9, Section 3.0, Cal Grant Reconciliation Process, Attachment F.1 General Payment Instructions, Page 15 - Program Compliance Review 80200114100.)

Additionally, policies and procedures have been enhanced to address strengthened internal measures for the Cal Grant reconciliation process. The university's Accounting office and the Financial Aid Office will continue to reconcile records on a regular basis. Included in these enhanced procedures is the reconciliation of the Commission's eligibility and funding data with the university's Accounting and Financial Aid records. (Attachment B.1.B, *CSUDH Financial Aid Office, Policies and Procedures for Cal Grant A, B, and T Programs*, Page 9, Section 3.0, Cal Grant Reconciliation Process)

FINDINGS AND REQUIRED ACTIONS (continued)

The one remaining response item to clear all audit findings is the reconciliation report for the 2001-02 award year, sorted by the Commission's specifically identified data elements, for all Cal Grant recipients. This report will be provided to the Commission in January 2003.

California State University, Dominguez Hills (CSUDH) has completed its reconciliation, as required, in Finding 'F' of the Program Compliance Review. As a result of this reconciliation, CSUDH is remitting to the California Student Aid Commission (CSAC) \$377.00.

The reconciliation (copy attached) compared the CSAC records for Cal Grant distribution with the CSUDH records. For the 2001-02 fiscal year being reconciled, there were two instances where the amounts did not correspond. Below is an explanation of these two instances.

Student # 802 on the CSAC Reconciliation Report (copy attached). This student was eligible for and received a Cal Grant 'B' award payment of \$802.00 for the Spring 2002 semester (copy of student's Statement of Account attached). There was an error made by CSUDH in the data entry amount reported to CSAC. The eligible award amount reported to CSAC was \$752.00. This was a \$50.00 reporting difference. The university, not CSAC, absorbed the \$50.00 that was owed and awarded to the student.

Student #1050 on the CSAC Reconciliation Report (copy attached). It was initially determined by the university and CSAC that this student was eligible to receive a Cal Grant 'A-T' award in the amount of \$377.00 to cover a portion of the State University Registration fee. The student was later awarded a third party grant in the amount of \$639.00 that included payment for the State University Registration fee. This then made the student ineligible to receive a Cal Grant award.

The university electronically notified CSAC of the student's Cal Grant ineligibility (copy of university's record of December 5, 2001 notification). The \$377.00 Cal Grant award was reversed from the student's account. When the university received the CSAC Accept/Reject Report dated December 7, 2001 (copy attached), it indicated that the student had been withdrawn from the Cal Grant Program (Code 70). However, with this electronic coding, the CSAC WebGrants system would not accept a reversal of the \$377.00 award into its electronic database. Thus, even though the CSAC 2001-02 Grant Roster and the CSAC 2001-02 Reconciliation report (copies attached) continue to show an award of \$377.00, the university had reversed payment of the Cal Grant award. Therefore, the university is remitting the amount of \$377.00 to CSAC.

AUDITOR REPLY:

The institution returned \$32,710.00 on check #348-481682, \$377.00 on check #348-487918 and the required policies and procedures, this action is deemed acceptable and no further action is required.

ATTACHMENT A - STUDENT SAMPLE
